109039-1 : g : 03/05/2009 : House GA / kd

3 HB590 HOUSE GOVERNMENT APPROPRIATIONS COMMITTEE ENGROSSED
 4 SUBSTITUTE

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10 A BILL

TO BE ENTITLED

12 AN ACT

To establish the McClellan Development Authority; to make legislative findings; to provide for the qualifications, appointments, and terms of the board of the authority; to provide for the purposes, powers, and duties of the authority; to provide for the operational area of the authority in the City of Anniston and in Calhoun County; to authorize the authority to issue bonds; to authorize the employees of the authority to participate in the Employees' Retirement System; to create an oversight committee and provide for its membership and duties; to limit the liability of the authority and provide immunity to the board and employees of the authority for certain acts; to provide that the authority is subject to the competitive bid and public works bid laws; to exempt the authority from certain taxes and from usury and

1 interest laws; to provide for an exemption from certain public

2 lands sales requirements; to provide that the authority is

3 subject to the state open meetings and public records laws;

and to provide for the dissolution of the authority and

disbursement of its assets upon dissolution.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. There is created the McClellan

Development Authority which shall be a public corporation.

Section 2. The Legislature makes the following

findings:

- (1) That the economic development of the property comprising the former Fort McClellan military installation is of vital importance to the life, health, and welfare of the citizens of the City of Anniston, Calhoun County, and the State of Alabama.
- (2) That, pursuant to the requirements of the federal Defense Base Closure and Realignment Act of 1990, Pub. L. 101-510, 10 U.S.C. § 2687, and all applicable federal law and regulations, the Department of Defense requires the establishment of a single local reuse authority capable of managing and promoting the reuse and economic development of the Fort McClellan property after the closure of the base.
- (3) That an Alabama court has ruled invalid a previous entity known as the Anniston-Calhoun County Fort McClellan Development Joint Powers Authority (JPA) which was formed to manage and promote the economic development of the Fort McClellan property. The court also held that its order

was not intended to impede or disrupt any contracts entered into by the JPA.

- closure requirements, the critical need for a valid and fully authorized entity to develop the Fort McClellan property and perform environmental restoration and remediation activities under existing and future agreements, contracts, and orders, and the need for a successor to the JPA, the Legislature has created the McClellan Development Authority as an entity empowered to assist Calhoun County and the City of Anniston in promoting industry, trade, and economic development pursuant to Amendments 415 and 563 to the Constitution of Alabama of 1901, now appearing as the Official Recompilation of the Constitution of Alabama of 1901, as amended, Local Amendments, Calhoun County, Sections 4 and 5.
- (5) That the Legislature intends that this act be liberally construed to conform with the purposes of the authority.

Section 3. The McClellan Development Authority is created for the purposes of acquiring, holding, improving, installing, constructing, owning, leasing, developing, performing environmental restoration and remediation, selling and otherwise disposing of the real and personal property within its authorized operational area as defined in Section 4 for any use, subject to governmental land use restrictions or authority. Permissible uses of the property shall include, without limitation, industrial, commercial, business, parking,

educational, cultural, artistic, retail, research and
development, recreational, and residential uses and may
include the construction of homes, apartments, town houses,
condominiums, hotels, and motels, and other structures, which
the authority deems appropriate for promoting industry, trade,
and economic development in Calhoun County, the City of
Anniston, and the State of Alabama.

Section 4. The authorized operational area of the McClellan Development Authority shall be comprised of the parcels of realty, previously conveyed to the United States of America, which formerly comprised the Fort McClellan property, and all property in adjacent areas of close proximity to the Fort McClellan property that is within the city limits of the City of Anniston and is necessary or convenient to carry out the purposes of the authority.

Section 5. (a) The authority shall operate under the direction of a board of directors which shall consist of 11 voting members selected as follows:

- (1) One member appointed by the Governor.
- (2) Five members appointed by the City Council of the City of Anniston.
- (3) Five members appointed by the County Commission of Calhoun County.
 - (b) A vacancy occurring on the board for any reason shall be filled within 45 days of the vacancy by the appointing authority making the initial appointment. If the appointing authority that made the original appointment does

not fill the vacancy within 45 days, the remaining two
appointing authorities may jointly make the appointment.

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- (c) Initial appointments to the board shall be made within 45 days following the effective date of this act. The Governor's initial appointee shall serve a three-year term. The city council shall designate two of its initial appointees to serve three-year terms, two of its initial appointees to serve two-year terms, and one initial appointee to serve a one-year term. The county commission shall designate two of its initial appointees to serve three-year terms, two initial appointees to serve two year terms, and one initial appointee to serve a one-year term. Thereafter, each successor board member shall serve a term of three years. Each board member shall serve until a successor is appointed, qualified, and assumes office, or until the board member ceases to serve as a director pursuant to subsection (h). All successor appointments shall be made by the appointing authority entitled to make the initial appointment. A board member may be reappointed at the end of his or her term.
- (d) Each director shall fulfill all of the following requirements:
- (1) Reside within Calhoun County or within the corporate limits of any municipality whose corporate limits lie in whole or in part within Calhoun County.
 - (2) Not hold any elective office.
- (3) Be a duly qualified elector of Calhoun County or the municipality in which he or she resides.

shall be held within 14 days following the initial appointment of all of the directors. At the organizational meeting, the board shall elect officers from among its members, including a chair, vice chair, treasurer, secretary, and such other officers as the board deems necessary or desirable. The board may prescribe in its bylaws the terms, powers, and duties of the officers. At the initial meeting the board shall determine its meeting schedule. Board members shall serve without compensation and shall be entitled to expense reimbursement only upon prior approval of a majority of the board. The board may approve reimbursement only of the actual, reasonable, and necessary expenses incurred in the performance of duties.

- (f) A majority of the members of the board shall constitute a quorum for the transaction of business. The members may act only upon a majority vote of the members making up the quorum. If a quorum is present when a meeting is convened and the subsequent withdrawal of members during the meeting leaves less than a quorum, the remaining members present may not take action except to continue the meeting for the purpose of engaging in debate and discussion and to adjourn the meeting by a vote of the majority of the remaining members present.
- (g) The board or any committee thereof may meet by telephone conference or other electronic means as long as the meeting complies with the Open Meetings Act, Chapter 25A of Title 36, Code of Alabama 1975.

1 (h) Unless otherwise provided, a member of the board
2 shall cease to be a member immediately upon the occurrence of
3 any of the following:

- (1) For any reason other than an illness which is documented in writing to the authority by a physician, the board member is absent for more than 25 percent of the scheduled board meetings in any consecutive 12-month period. The board member shall cease to be a member on the last day of the month following the month in which he or she missed more than 25 percent of the scheduled board meetings.
- (2) The board member is found guilty by a court of competent jurisdiction of willful or wanton misconduct or fraud in connection with the discharge of his or her duties, or of civil or criminal fraud or the board member is convicted of a felony. In the case of any of the foregoing, the board member shall cease to serve immediately.
- (3) The board member ceases to reside within Calhoun County or within the corporate limits of any municipality whose corporate limits lie in whole or in part within Calhoun County.
- (4) The board member is elected to any public office.
- (5) The board member ceases to be a qualified elector of Calhoun County or the municipality in which he or she resides on the date of the appointment.

1 (i) Any vacancy on the board occurring pursuant to
2 subsection (h) of this section shall be filled as provided in
3 subsection (b).

Section 6. All board members, officers, and employees of the authority shall be deemed public officers and public employees for the purposes of Chapter 25, commencing with Section 30-25-1 of Title 36 of the Code of Alabama 1975. The board may adopt additional ethics policies and procedures for defining and addressing possible and actual conflicts of interest between the authority and its officers, board members, and employees with respect to transactions in which the authority is or may be interested.

Section 7. The McClellan Development Authority shall have the following powers and duties together with all powers and duties incidental thereto or necessary to the discharge thereof:

- (1) To sue or be sued and to prosecute and defend in any court of competent jurisdiction.
- (2) To adopt and to use a corporate seal and to alter the seal at pleasure.
- (3) To adopt and alter bylaws for the regulation and conduct of its affairs and business.
- (4) With respect to property within the operational area of the authority, to acquire, receive, and take title to by purchase, gift, lease, devise, or otherwise, to hold, keep, improve, maintain, and impose restrictive covenants and land use controls, to engage in environmental remediation and

restoration efforts as required under applicable agreements with the U.S. Department of Defense, to equip, furnish, develop, and to transfer, convey, donate, sell, lease, grant options to, assign, encumber with easements and mortgages and other security agreements, or otherwise convey or dispose of property of every kind and character, real, personal, mixed, tangible, and intangible, and any interest therein, with adequate consideration as determined by the authority, given to tangible and intangible factors.

- (5) To make, enter into, and execute such contracts, agreements, cooperative agreements, leases, loan agreements, orders, mortgages, deeds, and other legal arrangements and to take such actions as may be necessary or convenient in the furtherance of any purpose of the authority or in the exercise of any power granted to it. Neither Calhoun County nor the City of Anniston, nor any member of the governing body of or any officer of either Calhoun County or the City of Anniston, shall be liable for the repayment of any indebtedness of the authority incurred pursuant to this subdivision.
- (6) To borrow money for any authority purpose, function, or use and to issue in evidence of the borrowing, bonds, notes, warrants, or other debt obligations, hereinafter referred to in this act as bonds, including, without limitation, refunding bonds.
- (7) To pledge for the payment of any bonds issued or obligations assumed by the authority any revenues from which those bonds or obligations are made payable and to execute and

deliver security for the bonds and obligations, mortgages,
deeds of trust, trust indentures, and pledge indentures as
provided for by law.

- (8) To provide for such insurance as the authority may deem advisable.
- (9) To invest any of its funds deemed by the authority to be not presently needed in the operation of its properties and undertakings in bonds, bills, notes, or other obligations of the United States of America or any agency thereof, bonds of the state, bonds of any county or municipality within the state, interest-bearing deposits in banks and savings and loan institutions, any obligations in which a state chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof.
- (10) To contract, cooperate, or both, with the United States of America and any agency or instrumentality thereof, or any state and any agency, instrumentality, or political subdivision thereof.
- (11) To accept gifts, grants, bequests, or devises of money and tangible and intangible property consistent with the purposes and powers of the authority.
- (12) To convey property for public purposes, with or without consideration, to the State of Alabama and its agencies and instrumentalities, the United States of America and its agencies and instrumentalities, Calhoun County, the City of Anniston, the Anniston Industrial Development Board,

the Calhoun County Economic Development Council, or their successors, and to dedicate roadways, parks, easements, or other public facilities.

- (13) To apply for and accept from any federal, state, county, or municipal government or agency or any other public or private source, loans, grants, guarantees, or other financial assistance in furtherance of the authority's purpose under such conditions as may be provided by the source.
- (14) To enter into agreements with the federal government or any agency thereof to use its facilities or its services in order to carry out the public purposes of the authority.
- (15) To contract with the State of Alabama, its agencies or institutions, or any county or local government for the use by the authority of any facilities or services or to contract or to provide any facilities or services to the state, its agencies or institutions, or any county or local government entity.
- (16) To extend credit or make loans to any person, corporation, partnership, or other entity for all or part of the costs of any project which substantially advances or enhances the development and reuse of the Fort McClellan property. The credit or loans extended may be secured by a loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other instrument, or by a rental, or by revenues, fees, or charges, upon such terms and conditions as the authority shall determine to be

reasonable. The agreement may include a provision for the establishment and maintenance of reserve funds. In the exercise of powers granted herein, the authority may include in any such loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other instrument requirements for guaranty of any obligations, insurance, construction, use, operation, maintenance, and financing of the project, and such other terms and conditions as the authority may deem necessary or desirable.

- (17) To appoint, employ, contract with, and compensate such employees, agents, engineers, auditors, attorneys, underwriters, issuers of letters of credit, depositories, banks, trustees, remarketing agents, rating agencies, insurers, and guarantors of its debt obligations, providers of other forms of credit enhancement for its debt obligations, contractors, consultants, and fiscal advisors, as the board shall deem necessary for the conduct of the business of the authority.
- (18) To make or contract for long-range plans or proposals for economic development or environmental restoration.
 - (19) To make surveys and other economic analyses.
- (20) To plan, undertake, and complete environmental restoration and to engage in environmental remediation of property.
 - (21) To grant and receive indemnities.

1 (22) To require by lease, contract, or agreement the 2 payment of fees in lieu of ad valorem taxes designated for 3 educational and other purposes to be levied by Calhoun County 4 and the City of Anniston for distribution to Calhoun County 5 and the City of Anniston, respectively.

- (23) To exercise any power granted by the laws of this state to a public or private corporation which is not in conflict with the purposes of the authority.
- (24) To do all things necessary or convenient to carry out the purposes and powers conferred by this act.

Section 8. The authority shall hire an independent certified public accounting firm to examine its books and records and render a written audit report annually.

Section 9. (a) Bonds of the authority shall be signed by the chair or vice chair and attested by the secretary or assistant secretary. The seal of the authority shall be affixed thereto. A facsimile of the signature of the officers may be printed or otherwise reproduced on any such bonds in lieu of being manually subscribed thereon, and a facsimile of the seal of the authority may be printed or otherwise produced on any such bonds in lieu of being manually affixed thereto, provided that the bonds have been manually authenticated by a transfer agent of the bonds issued. Delivery of the bonds so executed shall be valid notwithstanding any subsequent changes in officers or in the seal of the authority.

(b) Bonds may be executed and delivered by the authority at any time. The bonds shall be in such form and denominations and of such tenor and maturities, shall bear such rate or rates of interest or no interest, shall be payable at such times, and shall be payable and secured by such revenues, funds, assets, pledges, agreements, or other property, and evidenced in such manner, and may contain such other provisions not inconsistent with this act as may be provided by resolution of the board. The bonds may bear interest at a fixed or variable rate. The authority may issue tender bonds or similar bonds and enter into appropriate remarketing agreements with respect to any of its bonds and the determination of the rate of interest borne by the bonds. The bonds of the authority may be sold at either public or private sale in the manner, at the price, and at the time as determined by the board to be most advantageous.

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(c) The proceeds from the sale of any bonds shall be applied as provided in the agreement authorizing the bonds to be issued, including, without limitation, the payment of all legal, fiscal, recording, and other fees and expenses incurred in connection with the authorization, sale, and issuance of the bonds and, if provided in the agreement, interest on the bonds. The authority may provide for the funding of a debt service reserve, a replacement and reserve, or both, and for letters of credit, bond insurance, guaranties, and other forms of credit enhancement from the proceeds of its bonds or from other funds.

1 (d) The bonds shall be legal investments for funds 2 of the Teachers' Retirement System of Alabama, the Employees' 3 Retirement System of Alabama, and the State Insurance Fund.

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- (e) Public persons other than members of the authority or its appointing bodies may invest in any bond issued by the authority.
- (f) Upon the adoption by the board of any resolution providing for the issuance of bonds, the board shall cause to be published once a week for two consecutive weeks in a newspaper of general circulation published in Calhoun County a notice in substantially the following form at the end of which shall be printed the name and title of the chair, vice chair, secretary, or assistant secretary of the authority: "McClellan Development Authority, a public corporation under the laws of the State of Alabama, on the day of , authorized the issuance of not more than \$ principal amount of [insert the appropriate designation describing the bonds, notes, warrants, or other debt obligations] of the authority for purposes authorized in the act of the Legislature of Alabama under which the authority was organized. Any action or proceeding questioning the validity of the bonds, any pledge or mortgage to secure the same, any lease or sale of any project to be financed by the bonds, or the proceedings authorizing the same must be commenced within 20 days after the first publication of this notice." Any action in any court to set aside or question the issuance of the bonds notice, or to contest the validity of the bonds or

of any pledge or mortgage made therefor or of any lease or sale of any project to be financed by the bonds must be commenced within 20 days after the first publication of the notice. After the expiration of the 20 days, no cause of action, counterclaim, setoff, or defense questioning the validity of the bonds, or of the pledge, mortgage, lease, or sale of the project to be financed by the bonds shall be asserted, nor shall the validity of the bonds, or of the pledge, mortgage, lease, or sale of the project to be financed by the bonds be open to question in any court on any ground whatsoever except in an action that was commenced within the 20-day period.

Section 10. Neither Calhoun County nor the City of Anniston, nor any member or officer of Calhoun County or the City of Anniston, shall be liable for the payment of any indebtedness of the authority or for the performance of any pledge, mortgage, obligation, bond, or agreement of any kind whatsoever which may be undertaken by the authority. No indebtedness of the authority, pursuant to any of its agreements or obligations shall be construed to constitute an indebtedness of Calhoun County or the City of Anniston within the meaning of any law whatsoever, unless Calhoun County or the City of Anniston shall expressly obligate itself thereto.

Section 11. The authority shall not be liable for damages for injury done to any person or corporation, unless the injury was done due to the negligence <u>or wantonness</u> of an agent, officer, or employee of the authority while engaged in

work for the authority and while acting in the line and scope of his or her duty, or unless the injury was done due to the neglect, carelessness, or failure to remedy a defect in the streets, alleys, drainage systems, or buildings of the authority after the authority had been given notice of the defect or after the defect had existed for such an unreasonable length of time as to raise a presumption of knowledge of the defect on the part of the authority. Whenever the authority shall be made liable for damages by reason of the unauthorized or wrongful acts or negligence or carelessness of any person or corporation, then the person or corporation shall be liable to an action on the same account by the party so injured. No recovery may be had under any judgment, whether direct or by way of indemnity or otherwise, arising out of a single occurrence, against the authority, any officer, employee, or agent thereof, in excess of a total one hundred thousand dollars (\$100,000) per injured person up to a maximum of three hundred thousand dollars (\$300,000) per single occurrence, any other law notwithstanding. In no event shall the authority be liable for punitive damages. by the party so injured.

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Section 12. Members of the board shall not be subject to civil liability arising from the conduct of the affairs of the authority except when the act or omission of the member of the board amounts to willful or wanton misconduct, fraud, or gross negligence. The authority, its board, agents, and employees shall be entitled to all defenses

1	available under the doctrines of substantive immunity and
2	discretionary function immunity. It is the intent of this
3	section to grant members of the board the full immunity
4	provided noncompensated officers by Section 10-11-3, Code of
5	Alabama 1975. misconduct, fraud, or gross negligence. The
6	authority, its board, officers, agents, and employees shall
7	purchase and be covered by a liability policy of insurance
8	covering all possible civil causes of action in the amount of
9	four million dollars (\$4,000,000), the amount for which it may
10	be sued.
11	Section 13. The causes of action and remedies

Section 13. The causes of action and remedies

provided in this act are not intended to be the exclusive

remedies available to any injured person or corporation nor

must the injured person or corporation exhaust any

administrative remedies provided under any applicable law.

Section 14. No part of the net earnings of the authority remaining after payment of its expenses shall inure to the benefit of any private entity.

Section 15. (a) If it is determined that it is not possible for the authority to achieve all of the purposes for which the authority was formed, the authority may be dissolved by adoption by the board of a resolution that does all of the following:

- (1) Determines that it is not possible to achieve all of the purposes for which the authority was formed.
- (2) Determines that all debts and obligations of the authority have been fully paid or extinguished.

(3) Recommends its dissolution.

- 2 (b) If it is determined that the authority has
 3 achieved all the purposes for which the authority was formed,
 4 the authority shall be dissolved by adoption by the board of a
 5 resolution that does all of the following:
 - (1) Determines that it has achieved all of the purposes for which the authority was formed.
 - (2) Determines that all debts and obligations of the authority have been fully paid or extinguished.
 - (3) Recommends its dissolution.
 - (c) A dissolution under subsection (a) or (b) is only effective upon approval by both Calhoun County and the City of Anniston.
 - (d) Upon receiving the necessary approvals from the county and the city, the chair and secretary of the authority shall execute a certificate of dissolution reciting that resolutions have been adopted and that the authority has been dissolved. The certificate of dissolution shall be filed with the office of the Judge of Probate of Calhoun County, who shall record the certificate in an appropriate book. In the event that the authority owns any assets or property at the time of dissolution, whether voluntary or involuntary, title to all its assets and property shall thereupon vest in the City of Anniston.

Section 16. The authority, including, without limitation, its property, the bonds and other securities issued by the authority, the interest applicable thereto, and

the income therefrom, and all mortgages, indentures, and other instruments executed as security therefor, and all deeds and other documents delivered to the authority shall be exempt from all state and local taxation except sales and use tax.

**Dut*, including, without limitation, any license or excise taxes imposed on the authority for the privilege of engaging in any of the activities in which the authority may engage.

The authority shall not be obligated to pay any fees, taxes, or costs to the judge of probate in connection with the recording or filing of any deed or document. Except as provided in this section, nothing in this act shall be construed to:

- (1) Exempt any person, individual, corporation, association, or entity from otherwise applicable state, county, and municipal taxes, including, without limitation, city and county ad valorem and sales and use.
- (2) Limit or impair the taxing authority of the State of Alabama, Calhoun County, or the City of Anniston, including, without limitation, the application of existing taxes such as city and county sales and use taxes levied on retail sales within the authorized operational area of the authority, or any taxes that may be levied in the future.

Section 17. The Legislature recognizes that

employees of the JPA were eligible to participate and did

participate as members of the Employees' Retirement System of

Alabama. Likewise, employees of the authority shall be

Τ	<u>eligible to participate as members of the Employees'</u>
2	Retirement System of Alabama.
3	Section 18. The affairs and operations of the
4	authority shall be supervised and monitored by the McClellan
5	Development Authority Oversight Committee. This committee
6	shall be composed of all the members of the legislative
7	delegation from Calhoun County, as well as the members of the
8	governing bodies of Calhoun County and the City of Anniston.
9	The chair of the oversight committee shall be a member of the
10	legislative delegation elected by the oversight committee. The
11	oversight committee shall meet not less often than
12	semiannually, and otherwise at the call of its chair or a
13	majority of its membership. The approval of the oversight
14	committee shall not be essential to the validity of any action
15	taken by the board of directors in the exercise of any of the
16	powers granted the authority in this act.
17	Section 19. Subject to acceptance by the authority,
18	Calhoun County and any municipality therein may convey to the
19	authority, with or without consideration, any real, personal,
20	mixed, tangible, or intangible property or assets that
21	previously comprised the property of Fort McClellan.
22	Section 20. The authority is exempt from all general
23	laws of the State of Alabama governing usury or prescribing or
24	limiting interest rates, including, without limitation,
25	Chapter 8 of Title 8 of the Code of Alabama 1975.
26	Section 21. The authority and all contracts made by
27	it shall comply with Sections 41-16-50 to 41-16-63, inclusive,

1 Code of Alabama 1975, requiring competitive bids in connection 2 with certain contracts.

Section 22. Notwithstanding any provision of law to the contrary, the authority shall not be subject to Article 3 of Chapter 15 of Title 9, Code of Alabama 1975, regardless of the prior ownership of any property or interest therein to be disposed of in any fashion by the authority.

Section 23. The authority shall be considered an awarding authority within the meaning of Title 39, Code of Alabama 1975, and shall comply with all public works bid laws and other requirements applicable to an awarding authority.

Section 24. The authority shall be subject to the Open Meetings Act at Chapter 24 of Title 36 of the Code of Alabama 1975, and all public records requirements of the state, including Title 12 of Chapter 36 of the Code of Alabama 1975.

Section 25. Notwithstanding any other provisions of this act, the members of the Authority's board of directors, all employees, and any contracts entered into by the Authority and any personnel hired for issuance of bonds by the Authority shall reflect the racial, gender, geographic, urban/rural and economic diversity of the state.

Section 26. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect the part which remains.

- Section 27. This act shall become effective 45 days

 after immediately upon its passage and approval by the
- 3 Governor, or its otherwise becoming law.